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**To:** [Fwu, Melissa E. EOP/WHO](#)  
**Subject:** WH OPL: The United States-Mexico-Canada Agreement (USMCA)  
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Trade with Mexico and Canada is vital to the U.S. economy. In 2017 alone, trade with Canada and Mexico reached nearly \$1.3 trillion. Since the 2007-2009 recession, U.S. goods exports to Canada and Mexico have expanded more than with any other country in the world, accounting for about 40 percent of the growth in overall U.S. goods exports. Today, the two countries buy more than one-third of U.S. merchandise exports and 49 states count Canada and Mexico as one of their top three merchandise export markets. Taken together, these exports in goods and services support upwards of 11 million American jobs in every state in the Union, according to reports by the Business Roundtable.

The **United States-Mexico-Canada Agreement (USMCA)** is a 21st century, high-standard agreement that modernizes the 25-year-old North American Free Trade Agreement (NAFTA). USMCA will support mutually beneficial trade leading to freer markets, fairer trade, and robust economic growth in North America. In fact, recent analyses show that USMCA will boost economic growth and create more jobs for American workers as a result of key achievements that include:

- ✓ **More North American Auto Content:** Under USMCA's rules vehicles must be built with at least 75 percent of parts made in North America in order to qualify for zero tariffs, up from 62.5 percent under NAFTA. Also, 40 to 45 percent of an auto will have to be made by workers earning at least \$16 an hour. Recent USTR analysis estimates that these rules will incentivize billions in new U.S. automotive investment and in new purchases of U.S.-made auto parts, and support tens of thousands of additional jobs in the U.S. automotive sector. Read the analysis [here](#).
- ✓ **Increased Agricultural Market Access:** USMCA provides the U.S. with greater access to Canada's dairy, poultry, and egg markets. Combined with other agricultural provisions in the agreement, the independent International Trade Commission estimates that, as a result of USMCA, U.S. agricultural exports to Canada and the rest of the world would increase by \$2.2 billion.
- ✓ **Enhanced Labor and Environmental Rights:** The USMCA makes a number of significant upgrades to NAFTA's environmental and labor provisions, incorporates them into the core of the agreement, and makes them fully enforceable, which will help level the playing field for U.S. workers and

businesses.

- ✓ **Addresses Non-Market Practice and Unfair Subsidies:** The agreement includes countless rules that directly address the pernicious and growing challenge of unfair subsidies and non-market practices that have the potential to disadvantage U.S. workers and businesses. These include new and enforceable provisions covering state-owned enterprises, currency manipulation, anticorruption, and combatting duty evasion.
- ✓ **Increased Intellectual Property Protections:** USMCA dramatically enhances intellectual property protections. It contains a modernized, high-standard IP chapter that provides strong and effective protection and enforcement of IP rights critical to driving innovation, creating economic growth, and supporting American jobs.
- ✓ **Strongest Provisions on Digital Trade:** The agreement includes a first-of-its-kind chapter on digital trade that – among other things – ensures data can be transferred across borders and cracks down on data localization measures used to restrict where data can be stored and processed.

To learn more about USMCA, we encourage you to review the below information and also visit the [UMSCA Coalition](#). Helpful resources below are:

- **State Specific Fact Sheets:** State-by-state facts sheets from the Office of the United States Trade Representative (USTR), United States Department of Agriculture (USDA), Business Roundtable (BRT), and National Association of Manufacturers (NAM)
- **Industry Specific Fact Sheets and Resources:** A look across industries of the benefits of USMCA
- **Statements of Support from State and Local Elected Officials and Business/Industry Groups:** State and local elected officials and business/industry groups are weighing-in in support of USMCA
- **Overview Fact Sheets:** Facts Sheets looking at key achievements of USMCA and how USMCA will boost economic growth and create jobs.

We welcome your thoughts and comments on USMCA, and how the agreement will be beneficial to your states and communities.

Sincerely,

**The White House Office of Public Liaison**

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**Overview: The United States-Mexico-Canada Agreement (USMCA)**

To view the full text of the agreement between the United States, Mexico and Canada signed on November 30, 2018, [click here](#).

## **I. State-Specific Fact Sheets on the Benefits of USMCA to States and Communities**

*Below, please find fact sheets outlining the benefits of USMCA to states and communities. Another helpful resource is the USMCA Coalition.*

- Office of the United States Trade Representative (USTR): [USTR State Fact Sheet](#)
- United States Department of Agriculture (USDA): [USDA State Fact Sheet](#)
- Business Roundtable (BRT): [BRT State Fact Sheets](#)
- National Association of Manufacturers (NAM): [NAM State Fact Sheets](#)

## **II. Industry-Specific Fact Sheets and Resources**

*Below, please find fact sheets outlining the benefits of USMCA to industries and businesses across the country.*

### **Automotive**

- USTR: [Incentivize Billions in New Auto Production](#)
- Vice President Mike Pence – Op-Ed: [New Trade Agreement Puts Auto Industry First](#)

### **Agriculture**

- USTR: [Increase Market Access for America's Farmers and Ranchers](#)
- American Farm Bureau Federation: [USMCA at a Glance](#)
- U.S. Food & Drug Dialogue for Trade: [Measuring the Economic Impact of the U.S.-Mexico-Canada Agreement \(USMCA\)](#)
- U.S. Dairy Export Council/National Milk Producers Federation: [Expanding Free Trade in North America with USMCA](#)

### **Chemicals**

- American Chemistry Council: [How USMCA Strengthens U.S. Chemical Manufacturing Competitiveness](#)

### **Energy**

- American Petroleum Institute (API): [Energy Benefits of USMCA](#)

### **Intellectual Property**

- USTR: [Install New Protections to Safeguard America's Intellectual Property Against Foreign Competitors](#)
- U.S. Chamber: [USMCA Intellectual Property Drives North American Competitiveness](#)

## **Pharmaceuticals**

- PhRMA: [North American Trade and the Biopharmaceutical Industry – USMCA](#)

## **Small Business**

- USTR: [Create a New Chapter to Benefit America's Small and Medium Sized Businesses](#)
- U.S. Chamber: [USMCA Is A Win for America's Small Businesses](#)
- UPS: [Passing USMCA Will Support American Businesses](#)

## **III. Statements of Support from State and Local Leaders and Business/Industry Groups**

*Below, please find examples of state and local support for the USMCA.*

**Business/Industry Groups** (for more expansive list of business/industry support, [read here](#))

- American Automotive Policy Council: AAPC Urges Congress to Support Trade Agreement ([read here](#))
- American Farm Bureau Federation: U.S. Ag Gets a Great Deal with USMCA ([read here](#))
- American Petroleum Institute: API Applauds Trilateral Trade Agreement Between Canada, Mexico, and the United States ([read here](#))
- Business Roundtable: Business Roundtable Calls on Congress to Pass the United States-Mexico-Canada Agreement This Year ([read here](#))
- Internet Association: Statement On The U.S.-Mexico-Canada Agreement ([read here](#))
- National Association of Manufacturers: Manufacturers Urge Passage of USMCA ([read here](#))
- Pharmaceutical Research and Manufacturers of America: PhRMA Statement on the United States-Mexico-Canada Agreement ([read here](#))
- U.S. Chamber: 5 Reasons We Support the U.S.-Mexico-Canada Agreement ([read here](#))

## **Governors and Statewide Officials**

- Governor Doug Burgum (ND): USMCA Comes Through for ND ([read here](#))
- Governor Doug Ducey (AZ): Governor Ducey Urges Support for USMCA Trade Agreement ([read here](#))

- Governor Asa Hutchinson (AR): Governor Hutchinson's Weekly Address – Arkansas and the USMCA ([read here](#))
- Governor Matt Bevin (KY): USMCA - Trade Modernization Benefits Kentucky and North America ([read here](#))
- Governor Mike Parson (MO): Governor Parson, Agriculture Director Chris Chinn Urge Congress to Sign USMCA ([read here](#))
- Governor Brad Little (ID): Congress Must Approve Trump's Trade Agreement with Canada and Mexico ([read here](#))
- Governor Kim Reynolds (IA): Iowa Needs Congress to Ratify the U.S.-Mexico-Canada Trade Agreement ([read here](#))
- 25 Lieutenant Governors (AL, AK, AR, FL, GA, ID, IN, IA, KY, LA, MS, MO, NE, NC, ND, CNMI OH, OK, PR, SC, SD, TN, TX, UT, WV): Letter ([read here](#))
- Agriculture Commissioner Ryan Quarles (KY): USMCA Must Be Passed to Protect, Expand, Market Access for American Agriculture ([read here](#))
- Agriculture Commissioners Sid Miller (TX), Jewel Brunaugh (VA), Andy Gipson (MS), Mike Strain (LA), and Mark Killian (AZ): Commissioners Rally to Support USMCA ([read here](#))

### **State Legislators**

- State Senate President Larry Obhof (OH): Balanced Approach of Trade Pact Would Benefit Ohio ([read here](#))
- Bipartisan State Legislative Resolutions
  - Alabama ([here](#))
  - Alaska ([here](#))
  - Arkansas ([here](#))
  - Arizona ([here](#))
  - Idaho ([here](#))
  - Iowa ([here](#))
  - Missouri ([here](#))
  - Montana ([here](#))
  - North Carolina ([here](#))
  - Oregon ([here](#))
  - Pennsylvania ([here](#))
  - South Carolina ([here](#))
  - Tennessee ([here](#))

- Washington ([here](#))

### **Municipal and County Officials**

- Mayor George Flaggs (Vicksburg, MS): New Trade Alliance Is Must for City, Nation ([read here](#))
  - Mayor Sandy Stimpson (Mobile, AL): Tweet ([read here](#))
  - Association of California Cities – Orange County: Letter of Support ([read here](#))
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## **Fact Sheet: The United States Signs a Stronger Trade Agreement with Mexico and Canada**

*“This new deal will be the most modern, up-to-date, and balanced trade agreement in the history of our country, with the most advanced protections for workers ever developed.”* – President Donald J. Trump

### **REBALANCING OUR TRADE RELATIONSHIP: President Donald J. Trump kept his promise to deliver a modern and rebalanced trade deal to replace NAFTA**

- In November 2019, the United States is joining Canada and Mexico to sign a new trade agreement that will better serve the interests of American workers and businesses.
  - This follows the President’s announcement in October 2018 that a deal had been reached.
- The new United States–Mexico–Canada Agreement (USMCA) will replace the outdated, failed North American Free Trade Agreement (NAFTA).
- With the signing of this agreement, President Trump has delivered on his promise to renegotiate NAFTA and protect American farmers, ranchers, businesses, and workers.

### **SECURING A STRONGER DEAL FOR AMERICAN INDUSTRIES AND WORKERS: USMCA is a stronger deal for American farmers, ranchers, businesses, and workers.**

- USMCA will help incentivize billions of dollars in additional vehicle and auto parts production in the United States.
- The agreement includes updated rules of origin that require 75 percent of auto content to be produced in North America.
- American autoworkers will benefit from rules that incentivize the use of high-wage manufacturing labor in the auto sector.

- This includes a requirement that 40-45% of a vehicle consist of content manufactured by North American workers making at least \$16 per hour.
- USMCA's labor and environment chapters are fully enforceable and represent the strongest labor and environmental provisions of any trade agreement ever negotiated.
  - Mexico agreed to historic labor reforms to provide for genuine collective bargaining.
  - The agreement prohibits the importation of goods produced by forced labor.
- The agreement includes provisions that allow agriculture products to be traded more fairly.
  - Canada will end its "Class 6" and "Class 7" programs that allow low-priced dairy products to undersell American dairy producers.
  - Canada will increase market access for United States dairy products, eggs, and poultry.

**REFORMING TRADE FOR THE 21ST CENTURY: USMCA modernizes our trade relationship with Canada and Mexico to reflect the realities of the 21st century.**

- The new agreement includes a modernized chapter that provides stronger and more comprehensive intellectual property protections than any prior United States trade agreement.
    - These protections are vital to promoting innovation and economic growth.
    - USMCA includes robust copyright protection, 10 years of data protection for biologic drugs, and new protections against the theft of trade secrets.
  - USMCA includes the strongest digital trade and financial services provisions of any United States trade agreement.
    - New rules ensure that data can be transferred cross-border and that limits on where data can be stored are minimized.
  - USMCA will cut red tape at the border, streamline trade, and reduce regulatory uncertainty.
  - The agreement includes a currency chapter that will help reinforce transparency and stability.
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## **Fact Sheet: USMCA Will Boost Economic Growth and Create Jobs**

Recent analyses show that the United States-Mexico-Canada Agreement (USMCA) will boost economic growth and create more jobs for American workers.

### **FOX BUSINESS: USMCA to Add \$68.2B to US Economy, Spur 176K Jobs Says Key Independent Review Panel**

“A new trade agreement between the U.S., Mexico and Canada would add \$68.2 billion to the U.S. economy and create 176,000 new jobs, according to a study from the International Trade Commission released on Thursday. ... ‘The model estimates that the agreement would likely have a positive impact on all broad industry sectors within the U.S. economy,’ the [ITC] report says. ‘Manufacturing would experience the largest percentage gains in output, exports, wages, and employment, while in absolute terms, services would experience the largest gains in output and employment.’”

### **FINANCIAL TIMES: USMCA Trade Deal to Boost US Economy, Trade Commission Finds**

“The ITC said in its report released on Thursday that the United States-Mexico-Canada Agreement would have a positive impact on US real gross domestic product and employment ‘if fully implemented and enforced’, citing new rules of origin governing vehicle production. The report also found benefits from reduced policy uncertainty regarding digital trade.”

### **WASHINGTON EXAMINER: Trump USMCA would add \$68B to GDP and 176,000 jobs, independent report says**

“The deal would strengthen labor standards and rights, especially those in Mexico, increase intellectual property rights protections enjoyed by U.S. firms, and reduce the scope of the system for settling disputes between investors and individual countries, likely leading to less U.S. investment in Mexico — and freeing up capital for domestic manufacturing and mining, according to the report. The projected positive effect would be small, though.”

### **REUTERS: U.S. Trade Agency Sees 76,000 New Auto Jobs from North American Trade Deal**

“The Trump administration on Thursday estimated that its new North American trade deal will create 76,000 automotive sector jobs within five years as automakers invest some \$34 billion in new plants to comply with the pact’s new regional content rules. ... A senior USTR official told reporters that none of the 15 automakers producing vehicles in North America intend to opt out of the agreement to pay U.S. tariffs instead and move production overseas, as some critics of the deal have suggested.”

### **FOX BUSINESS: Trump Admin: USMCA Would Lead to North American**

## **Auto Industry Surge**

“A new trade deal between the U.S., Mexico and Canada would spur billions of dollars in new investment and launch thousands of new jobs in the North American automotive industry, according to a new study released on Thursday from the Office of the United States Trade Representative. Based on confidential data provided by the major carmakers with operations in the region, the sector would invest roughly \$34 billion and create 76,000 jobs within

### **THE HILL: New NAFTA Would Give \$60B Boost to Auto Sector**

“The Office of the U.S. Trade Representative (USTR) projected a significant boost for U.S. automakers and parts producers in an economic analysis of the U.S.-Mexico-Canada Trade Agreement (USCMA) published Thursday. The White House trade office projected the USMCA to spur \$34 billion in investments in U.S. auto plants, \$23 billion in American auto parts sales and create 76,000 new industry jobs over the course of five years. The employment gains would include roughly 22,800 automotive assembly jobs, 8,000 additional advanced battery supplier jobs, and 45,600 additional automotive supplier jobs, according to USTR estimates.”

### **INSIDE U.S. TRADE: ITC Cites Digital, Auto Provisions in Finding USMCA Will Benefit U.S. Economy**

“The Commission estimates that USMCA would boost U.S. GDP by \$68.2 billion and would add roughly 176,000 jobs. Additionally, ‘U.S. exports to Canada and Mexico would increase by \$19.1 billion (5.9 percent) and \$14.2 billion (6.7 percent), respectively. U.S. imports from Canada and Mexico would increase by \$19.1 billion (4.8 percent) and \$12.4 billion (3.8 percent), respectively,’ the report states.”

### **POLITICO: U.S. ITC Report: Dairy Exports to Canada Would Grow \$227M Under New Deal**

“American dairy exports to Canada would increase by \$227 million annually under the new USMCA deal, according to a report out today from the U.S. International Trade Commission. The 375-page report assessed the range of effects of the deal, including on dairy, which was among the most politically sensitive issues in Canada. The ITC estimated American dairy exports to Canada would jump significantly — by 43.8 percent.”